

MARKET BULLETIN

From	Director, Worldwide Markets (extn 6677)
Date	4 September 2006
Reference	Y3865
Subject	Louisiana: Hurricanes Katrina and Rita. Directive 195 - Amended, issued by the Louisiana Department of Insurance
Subject areas	Personal and commercial residential and commercial property insurance in the state of Louisiana affected by Hurricanes Katrina and/or Rita
Attachments	None
Action points	Managing agents and Lloyd's brokers to note and comply with the provisions of Directive 195- Amended
Deadlines	Directive 195 - Amended became effective on 24 August, 2006

Purpose of bulletin

The purpose of this bulletin is to inform the market of the provisions of Louisiana Directive 195 - Amended, which is now in force.

[Directive 195 – Amended can be found via this link](#)

The original Directive 195 was issued to clarify the issues relative to the payment that an insured may be entitled to receive from an insurer for the replacement costs for damages covered by the policy for property damaged by Hurricane Katrina and/or Hurricane Rita. Please see Lloyd's market bulletin Y3766, dated 14 March, 2006.

[Lloyd's market bulletin Y3766 can be found via this link](#)

Directive 195 - Amended

Directive 195 – Amended extends by an additional 6 months the original one year period under Directive 195, within which insureds can recover the replacement costs for damages covered by the policy, to which they may be entitled. The extension period is now at least

18 months from the date of the claim for damages caused by Hurricane Katrina and/or Rita, within which to recover the replacement costs for damages covered by the policy to which the insured may be entitled.

The original Directive 195 contained paragraphs numbered from 1 to 7. Directive 195-Amended contains a revised paragraph 1, containing details of the extension, but paragraphs 2 to 7 are essentially the same as in the original Directive.

Insurers are reminded that they are prohibited from taking any action contrary to Emergency Rule 23 relative to the cancellation or non-renewal of an insured that is entitled to the protection of Emergency Rule 23. Emergency Rule 23 ([see Lloyd's market bulletin Y3721](#), dated 5 January, 2006, [Lloyd's market bulletin Y3805](#), dated 3 May, 2006 and [Lloyd's market bulletin Y3838](#), dated 26 June, 2006) suspends the rights of insurers to cancel or non-renew residential and commercial property insurance policies covering property in Louisiana damaged by Hurricanes Katrina or Rita, until 60 days after substantial completion of repair.

Managing agents should ensure that they, and coverholders acting on their behalf, comply with Directive 195 - Amended.

Further information

If you have any queries about this market bulletin, please contact Lloyd's Worldwide Market Services:

Lloyd's Worldwide Market Services
Tel: 020 7327 6677
Email: market.services@lloyds.com
Box 190b, Gallery 1

This market bulletin has been sent to active underwriters and to the compliance officers of managing agents and Lloyd's brokers.

Julian James
Director,
Worldwide Markets